

Message Text

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PAGE 01 SINGAP 01784 200344Z
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 COME-00 STR-07 PA-01 ICA-11
CIAE-00 INR-10 NSAE-00 OPIC-03 /051 W
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R 200242Z APR 78
FM AMEMBASSY SINGAPORE
TO SECSTATE WASHDC 0098
INFO AMEMBASSY TAIPEI
AMEMBASSY TOKYO
AMCONSUL HONG KONG
USLO PEKING
CINCPAC HONOLULU

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CINCPAC ALSO FOR POLAD

EO 11652: NA
TAGS: EEWT, EQUIP, CH, SN
SUBJ: BETHLEHEM SINGAPORE'S SALE OF OIL RIG TO PRC

REF: SINGAPORE 1646

1. IN A CONVERSATION WITH THE AMBASSADOR, BETHLEHEM SINGAPORE (BETHSING) MANAGING DIRECTOR SHERMAN PERRY PROVIDED ADDITIONAL INFORMATION ON THE SALE OF A JACK-UP OIL RIG TO THE PRC (REPORTED REFTEL). NOTWITHSTANDING SPECULATION BY SOME OBSERVERS THAT BETHSING HAD OFFERED THE CHINESE A VERY LOW PRICE TO ENCOURAGE FUTURE PURCHASES, PERRY EXPRESSED SATISFACTION WITH THE TERMS AND THE PROFITABILITY OF THE DEAL. PERRY SAID THAT THE DELIVERY SCHEDULE CALLED FOR THE RIG TO BE FLOATED TO CHINA IN 1979 WITH THE LEGS UNCOMPLETED. WITH THE ASSISTANCE OF BETHSING TECHNICIANS, THE CHINESE WILL COMPLETE THE WELDING ON THE LEGS
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AFTER THE RIG'S ARRIVAL.

2. WHILE IN CHINA FINALIZING THIS SALE, PERRY EXPRESSED HIS HOPE TO A MACHIMPEX OFFICIAL THAT THE PARENT COMPANY, BETHLEHEM USA, WOULD BE ABLE TO DO MORE BUSINESS WITH THE PRC. THE OFFICIAL DEMURRED, STATING THAT THERE WERE MANY OBSTACLES TO PURCHASES

FROM THE US CORPORATION (I.E., THE LACK OF FULL
DIPLOMATIC TIES BETWEEN THE US AND THE PRC).

3. THE CHINESE ALSO TOLD PERRY THAT A MAJOR FACTOR IN
THEIR DECISION TO BUY THE RIG FROM A SINGAPORE YARD
WAS A COMMITMENT MADE TO PRIME MINISTER LEE KUAN YEW
TO BUY MORE SINGAPORE PRODUCTS. THE CURRENT TRADE
BALANCE BETWEEN SINGAPORE AND THE PRC IS DECIDEDLY
IN FAVOR OF THE LATTER, AND LEE HAS ASKED THE CHINESE
TO REDUCE THEIR SURPLUS.

4. COMMENT: WHILE THE CHINESE MAY DESIRE TO IMPROVE
TRADE RELATIONS WITH SINGAPORE, THEY ARE ALSO INTER-
ESTED IN BOTAINING NEEDED AMERICAN TECHNOLOGY. THAT
THEY CAN OBTAIN SUCH TECHNOLOGY INDIRECTLY THHROUGH
SINGAPORE UNDER THE GUISE OF A COMMITMENT TO LEE
KUAN YEW IS EVIDENTLY BOTH CONVENIENT AND POLITICALLY
ACCEPTABLE FOR THE CHINESE.
HOLDRIDGE

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Message Attributes

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